

Message Text

CONFIDENTIAL

PAGE 01 SAN SA 01483 171412Z

40

ACTION ARA-10

INFO OCT-01 IO-10 ISO-00 CIAE-00 COME-00 DOTE-00 EB-07

FMC-01 INR-07 NSAE-00 CG-00 OFA-01 DLOS-03 SP-02 L-02

NSC-05 PA-01 PRS-01 USIA-06 AID-05 TRSE-00 CIEP-01

OMB-01 FTC-01 JUSE-00 CEA-01 STR-04 /070 W

----- 055677

R 162217Z APR 75

FM AMEMBASSY SAN SALVADOR

TO SECSTATE WASHDC 7878

INFO AMEMBASSY BOGOTA

AMEMBASSY BRIDGETOWN

AMEMBASSY CARACAS

AMEMBASSY GORGETOWN

AMEMBASSY GUATEMALA

AMEMBASSY KINGSTON

AMEMBASSY MANAGUA

AMEMBASSY MEXICO

AMEMBASSY NASSAU

AMEMBASSY PORT AU PRINCE

AMEMBASSY PORT OF SPAIN

AMEMBASSY SAN JOSE

AMEMBASSY TEGUCIGALPA

AMEMBASSY PANAMA

AMCONSUL BELIZE

USMISSION USUN NY

C O N F I D E N T I A L SAN SALVADOR 1483

EO 11652: GDS

TAGS: EWWT ETRD XK ES UNDP

SUBJ: PROPOSED LA-CARIBBEAN SHIPPING VENTURE

REF: A) SANTO DOMINGO 1656 NOTAL; B) TEGUCIGALPA 1318 NOTAL

1. GOES DIRECTOR OF PORTS STATES THAT THREE GOES OFFICIALS
INCLUDING ONE FROM PORT AUTHORITY ARE NOW IN MEXICO DISCUSSING
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 SAN SA 01483 171412Z

SHIPPING VENTURE WITH GOM PRIOR TO SCHEDULED MAY 5 JAN JOSE

MEETING ON VENTURE.

2. DIRECTOR OF PORTS DESCRIBES PROPOSAL AS QUOTE THE PERSONAL BRAINCHILD OF TWO PRIMA DONNAS, PEREZ AND ECHEVERRIA UNQUOTE. HE EXPRESSES VIEW THAT VENTURE IS POORLY CONCEIVED, LACKS SUFFICIENT IN-DEPTH STUDY AND PROBABLY WILL BE A MONEY LOSER UNLESS VENEZUELA AND MEXICO AGREE TO INCLUDE PETROLEUM SHIPPING WITHIN VENTURE'S OPERATING PARAMETERS WHICH THEY HAVE THUS FAR FAILED TO DO.

3. DIRECTOR FURTHER DESCRIBES VENTURE AS A POLITICAL GAMBIT WHICH MEXICO AND VENEZUELA ARE DESPARATELY ATTEMPTING TO HAVE RATIFIED BEFORE SCHEDULED MAY 10 MFM. ALTHOUGH VENTURE IS NOT INTENDED TO INCLUDE SHIPPING TO OR FROM U.S. PORTS NOR WILL IT COMPETE SERIOUSLY WITH U.S. FLAG SERVICES (IN HIS VIEW) NONETHELESS IT WILL SERVE AS ANOTHER EXAMPLE OF AN LDC BASED JOINT ECONOMIC EFFORT DESIGNED TO CONFRONT EXISTING DC OWNED SHIPPING MONOPOLIES AND TO REDUCE LDC DEPENDENCE. COMMENT: DESPITE DIRECTOR'S BELIEF, VENTURE MIGHT COMPETE DIRECTLY WITH CERTAIN U.S. LINES SUCH AS DELTA.

4. NEITHER EL SALVADOR NOR GUATEMALA ARE ENTHUSIASTIC ABOUT VENTURE AND, ACCORDING TO DIRECTOR, NEITHER WISHES TO AGREE TO JOIN SAN JOSE. HOWEVER, GOM AND GOV ARE BRINGING PRESSURE TO BEAR ON BOTH GOVERNMENTS AND THEY MAY FIND THEMSELVES OBLIGED TO SIGN UP FOR POLITICAL REASONS PROVIDING THEY DO NOT HAVE TO INVEST MONEY IN THE VENTURE, WHICH PROMISES TO BE A LOSER. COMMENT: THIS APPARENT RELUCTANCE TO JOIN VENTURE AGREES WITH EMBASSY'S ASSUMPTION THAT GOES IS COOL TOWARDS VENTURE BUT ALSO RELUCTANT TO BREAK WITH REGIONAL SOLIDARITY. AMONG OTHER REASONS, EL SALVADOR IS ATTEMPTING TO DEVELOP ITS OWN MERCHANT MARINE COMPANY ARMASAL WHICH NOW OPERATES THREE SHIPS. ARMASAL REPORTEDLY IS AT LEAST PARTIALLY FINANCED BY INFLUENTIAL SALVADORAN AND THIRD COUNTRY INVESTORS AND, WHILE IT DOES NOT SERVE THE CARIBBEAN PER SE, INDIRECT COMPETITION FROM A MULTI-GOVERNMENT SHIPPING VENTURE MIGHT NOT BE WELCOME.

5. CONFIRMING IN PART TEGUCIGALPA 1318 NOTAL, DIRECTOR OF PORTS CONFIRMS THAT OFFICE OF UNDP SPONSORED CA PORT AND CONFIDENTIAL

CONFIDENTIAL

PAGE 03 SAN SA 01483 171412Z

SHIPPING STUDY WILL PROBABLY BE MOVED TO SAN SALVADOR SOON. FOUR GOVERNMENTS HAVE FORMALLY APPROVED MOVE AND FIFTH (GOG) HAS AGREED IN PRINCIPLE AND IS EXPECTED TO FORMALLY CONCUR BEFORE THE END OF APRIL. FIVE YEAR STUDY AND TECHNICAL ASSISTANCE PROGRAM WILL REPORTEDLY COVER PORT INSTALLATIONS, MAINTENANCE AND OPERATIONS, MERCHANT SHIPPING PROBLEMS AND RELATED TRANSPORTATION SERVICES. CAMPBELL

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: MARINE TRANSPORTATION, JOINT VENTURES, STEAMSHIP LINES
Control Number: n/a
Copy: SINGLE
Draft Date: 16 APR 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: johnsorg
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975SANS01483
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D750135-0270
From: SAN SALVADOR
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750446/aaaabqhp.tel
Line Count: 114
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION ARA
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 75 SANTO DOMINGO 1656, 75 TEGUCIGALPA 1318
Review Action: RELEASED, APPROVED
Review Authority: johnsorg
Review Comment: n/a
Review Content Flags:
Review Date: 02 JUL 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <02 JUL 2003 by ElyME>; APPROVED <10 NOV 2003 by johnsorg>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
05 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: PROPOSED LA-CARIBBEAN SHIPPING VENTURE
TAGS: EWWT, ETRD, XK, ES, VE, MX
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006